

Differences in adoption of digital payments by Generation Y versus Generation Z

December 2 2022, by David Bradley



Credit: Pixabay/CC0 Public Domain

Research in the *International Journal of Electronic Marketing and Retailing* looks at the difference of opinion between Generation Y and Generation Z in the adoption of digital payments. They found that

people in the older group were less tolerant of risks associated with digital payment and were more prone to social environmental influences whereas those in the younger group were more concerned with ease of use and satisfaction with the process.

Irfan Fadhilah and Daniel Tumpal H. Aruan of the Department of Management at the University of Indonesia in Depok had various hypotheses regarding the adoption of digital payments and surveyed two demographics to understand better the differences in attitudes. Their findings offer new insights into the world of digital payments that can feed back into research in this area and ultimately help direct the further development of the requisite technology.

Digital payments have become a popular alternative to cash or card among many smartphone users. They can link their [bank account](#) to an app on their mobile device and quickly and easily make payments for goods and services in a wide variety of settings. It is often assumed that [younger people](#) will be the [early adopters](#) when it comes to new technology. There might, of course, be subtle differences between the younger age groups.

People in Generation Y are colloquially referred to as "millennials" and are usually defined as being born in the approximate period 1981 to 1996. They are commonly the offspring of Baby Boomers or Generation X, which encompasses those born 1946 to 1964 and 1965 to 1980. Generation Z encompasses those born from 1997 to the early 2010s. This group is often considered to be the first "digital natives" as they were born after the advent of the world-wide web, near-ubiquitous internet access, and easy access to connected [mobile devices](#).

The team's findings corroborate earlier research and once again show that younger people are more likely to adopt the novel technology of digital payments whereas the older group is generally happier to use cash

and card. The team suggests that their findings could guide those in the technology and banking sectors to market their services more appropriately to the older group based on their revealed attitudes and opinions regarding digital payments.

More information: Irfan Fadhilah et al, Understanding consumer adoption and actual usage of digital payment instruments: comparison between Generation Y and Generation Z, *International Journal of Electronic Marketing and Retailing* (2022). [DOI: 10.1504/IJEMR.2023.10050665](https://doi.org/10.1504/IJEMR.2023.10050665)

Provided by Inderscience

Citation: Differences in adoption of digital payments by Generation Y versus Generation Z (2022, December 2) retrieved 19 July 2024 from <https://phys.org/news/2022-12-differences-digital-payments-generation.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.